# **Foreword**

Croatia has made great strides in strengthening its regulatory policy framework and implemented a broad set of regulatory reforms to support more effective law-making and reduce administrative burdens for businesses. The recently introduced RIA law and the law on access to information set out requirements to conduct impact assessments and public consultations and accompanying guidance documents have been provided to regulators to help them implement practices as set out in the OECD 2012 Recommendation on Regulatory Policy and Governance.

The OECD Review of Regulatory Policy in Croatia assesses the development of these reforms, and takes a detailed look at how the reforms are put into practice. It reviews the policies, institutions, and tools employed by the Croatian government to design, implement and enforce regulations. This includes policies on administrative simplification, ex ante and ex post evaluation of regulations, public consultation practices, as well as regulatory enforcement and inspections. The review also contains a special chapter on the taxation of small and medium-sized enterprises. The review then provides policy recommendations based on best international practices and peer assessment to strengthen the government's capacity to manage regulatory policy.

The review finds that Croatia has successfully put in place some of the essential tools of better regulation. For example, stakeholder engagement via the e-consultation platform *e-Savjetovanja* is common practice and RIA starts relatively early in the process and looks at a wide variety of impacts. Challenges remain, however, to ensure that the tools are used effectively and both primary and secondary legislation are targeted. The review makes recommendations to address these particular challenges. For example, Croatia would benefit from strengthened analytical capacities in line ministries, as well as renewed political commitment to better regulation.

The review methodology draws on decades of experience in better regulation reflected in the OECD 2012 Recommendation on Regulatory Policy and Governance. The Recommendation identifies the measures that governments can and should take to support better regulation. These measures are used as a baseline for assessing regulatory management capacity in Croatia. The review also uses the 2014 OECD Best Practice Principles for Regulatory Policy: Regulatory Enforcement and Inspections and the OECD Enforcement and Inspections Toolkit, which address the design of effective compliance policies and institutions and the process of reforming inspection regimes to achieve policy objectives.

The OECD Regulatory Policy Committee leads the programme on regulatory governance with the support of the Regulatory Policy Division of the OECD Public Governance Directorate. Regulatory policy country reviews are a key part of the Committee's programme. The Directorate's mission is to help government at all levels design and implement strategic, evidence-based and innovative policies to strengthen public governance; respond effectively to diverse and disruptive economic, social and environmental challenges and deliver on government's commitments to citizens. The goal of the programme is to support sustainable economic and social development through sound government frameworks that enable evidenced-based policy making.

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